

# International Equity Fund

as of 12/31/2011

## RISK PROFILE

Low

Moderate

High

Benchmark: MSCI ACWI-ex US Index

Expense ratio: 0.28%

For illustrative purposes only, for further information regarding risk, read our Risk Disclosure at <http://www.in.gov/inprs/files/RiskDisclosure.pdf>

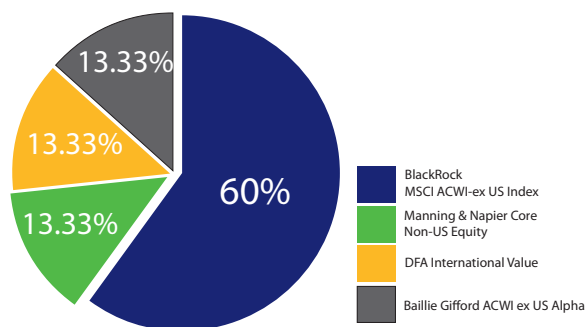
### INVESTMENT OBJECTIVE:

The Investment Objective of the International Equity Fund is to seek investment growth/capital appreciation through both active and passive investment in stocks of non-U.S. companies in both developed and emerging markets.

### INVESTMENT MANAGERS:

The International Equity Fund is comprised of the following four underlying managers: BlackRock, Manning & Napier, DFA and Baillie Gifford. BlackRock utilizes passive management to attempt to match the characteristics and performance of the MSCI ACWI-ex US Index. The ACWI-ex US Passive strategy is complemented by active managers that opportunistically invest away from the Index. Manning & Napier is a concentrated manager that invests along the capitalization and style spectrum within Developed and Emerging Markets. DFA utilizes a quantitative International Large Cap Value strategy. Baillie Gifford utilizes a fundamental bottom-up approach and primarily invests in International Large Cap Growth stocks. Together, the four managers provide for a diversified portfolio with a broad representation of international markets due to the exposure to developed and emerging countries.

### COMPOSITION:



### LINKS TO UNDERLYING MANAGERS:

BlackRock:

<http://www.in.gov/inprs/files/BlackRockInternational123111.pdf>

Manning & Napier:

[http://www.manningnapieradvisors.com/public/service\\_separate\\_equity\\_nonus.asp?Category=Service&Section=separate&SubSection=equity&Service=1](http://www.manningnapieradvisors.com/public/service_separate_equity_nonus.asp?Category=Service&Section=separate&SubSection=equity&Service=1)

DFA:

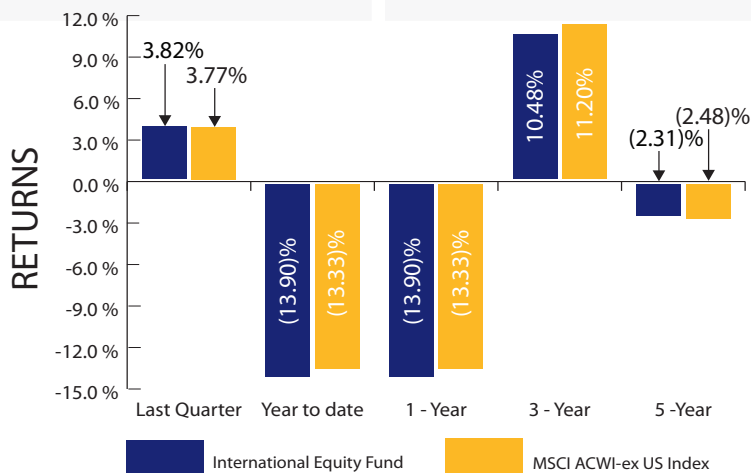
[http://www.dfaus.com/portfolios/intl\\_value\\_port/](http://www.dfaus.com/portfolios/intl_value_port/)

Baillie Gifford:

[http://www.bailliegifford.com/pages/institutional/EAFE\\_ACWI/EAFE\\_ACWI.aspx](http://www.bailliegifford.com/pages/institutional/EAFE_ACWI/EAFE_ACWI.aspx)

### INVESTMENT PERFORMANCE:

	TOTAL RETURN		AVERAGE TOTAL ANNUAL RETURN		
	Last Quarter	YTD	1-year	3-year	5-year
International Equity Fund	3.82%	(13.90)%	(13.90)%	10.48%	(2.31)%
MSCI ACWI-ex US Index	3.77%	(13.33)%	(13.33)%	11.20%	(2.48)%



### Disclosures:

Past performance is not a guarantee or a reliable indicator of future results. An investment in the Fund could lose money over short or even long periods. You should expect the Fund's share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The Fund's performance could be hurt by stock market risk, which is the chance that stock prices overall will decline. Stock markets, especially foreign stocks, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Further, the Fund's performance could be hurt by investment style risk, which is the chance that returns from non-U.S. stocks, and, to the extent that the Fund is invested in them, small- and mid-cap stocks, will trail returns from the overall domestic stock market. Historically, small- and mid-cap stocks have been more volatile in price than the large-cap stocks that dominate the overall market, and they often perform quite differently. In addition, the Fund is subject to country/regional risk, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by companies in foreign countries or regions. Because the Fund may invest a large portion of its assets in securities of companies located in any one country or region, including emerging markets, the Fund's performance may be hurt disproportionately by the poor performance of its investments in that area. Country/regional risk is especially high in emerging markets. Finally, the Fund could be hurt by currency risk, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates.

Investment returns include both actual performance results and investment manager composite data for historical comparison purposes. Prior to 7/30/2010, all data presented is calculated from manager composite performance. After 7/30/2010, all performance presented consists of actual investment returns experienced by members.

International Equity Fund Composite Performance—60% BlackRock MSCI ACWI-ex US Index, 13.3% Manning & Napier Core Non-US Equity, 13.3% DFA International Value, 13.3% Baillie Gifford ACWI ex US Alpha.

- BlackRock ACWI ex-US Non-Lending Post-notified Index Fund performance began in the first quarter of 2004; therefore, for comparative purposes, MSCI ACWI ex US (net div) Index was used for performance from the first quarter of 2001 through the fourth quarter of 2003 and the MSCI ACWI ex US (gross) Index was used for performance prior to the first quarter of 2001.
- Manning & Napier Core Non-US Equity performance is gross of fees.
- DFA International Value performance is net of fees.
- Baillie Gifford ACWI ex US Alpha Commingled Fund (net of fees) performance began in the second quarter of 2008; therefore, for comparative purposes, Baillie Gifford ACWI ex US Alpha Separate Account (gross of fees) is used for performance prior to the second quarter of 2008.

